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June 13, 2008

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Petition of the Office of Regulatory Staff for Declaratory Order Against Stan Brown d/b/a Water Head, LLC Requiring Certification as a Water Utility and the Posting of a Performance Bond
Docket No. 2007-64-WS

Dear Mr. Terreni,

This letter is provided in response to the Commission's Directive in this matter issued May 28, 2008 wherein the Commission requested that ORS provide a report addressing the failure of the Respondent to post a bond or file an application for certification in accordance with the terms of the settlement agreement in this case.

Over the course of the past nine months ORS has made numerous efforts to gain the cooperation of Mr. Brown in meeting the obligations which he agreed to in the Agreement approved by the Commission last September. Although most of these efforts failed to produce any results, we have recently held additional meetings with Mr. Brown and his attorney that we believe yielded a planned course of action which is anticipated to successfully resolve the outstanding issues in this case.

In short, the parties have agreed that the most expedient method of gaining certification and approval of rates for Mr. Brown's Water Head system would be through his petitioning the Commission for an extension of the service area of Piedmont Water Company, Inc. ("Piedmont"). Piedmont is also owned by Mr. Brown and is currently operating under a tariff approved by the Commission. Piedmont is also adjacent to the territory currently being served by Water Head, LLC. ORS has agreed to a specific timeline recommended by Mr. Brown to permit him to produce an application for an extension of the service area of Piedmont. ORS has offered its assistance to Mr. Brown in preparing this application which we anticipate his being able to file with the Commission within the next two months.

We are appreciative of the Commission's interest and attention to this matter and sincerely hope that a satisfactory resolution will be presented to the Commission in the near future.

Sincerely,


Jeffrey M. Nelson

cc: Robert T. Bockman, Esquire